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**NEARLY TWO MILLION LOW-INCOME AMERICANS ON MEDICARE
TO GET DRUG DISCOUNT CARDS
Move Makes \$1,200 Assistance Nearly Automatic**

HHS Secretary Tommy G. Thompson today announced that nearly two million low-income Americans on Medicare will soon be automatically eligible for prescription discounts through the Medicare Drug Discount card and qualify for an additional \$1,200 in savings over the next 14 months.

The Medicare beneficiaries will receive a drug discount card in the mail next month, which they can begin to use immediately to get savings at pharmacies, Secretary Thompson said. In addition to receiving the card, beneficiaries will also receive instructions on how to activate the \$1,200 benefit. To do so recipients will have to verify by phone that they meet income guidelines and do not have other drug coverage.

“Seniors with limited means who are struggling to pay for their medicines can save right away,” Secretary Thompson said. “We’re making it automatic, so those who qualify for the \$1,200 credit get it as soon as possible.”

The 1.8 million Medicare beneficiaries getting cards can activate the \$1,200 additional benefit by calling the randomly selected sponsor or by calling 1-800-MEDICARE. They also will have the option of choosing a different sponsor’s card. If they do choose another card, they will be automatically disenrolled from the randomly assigned card.

The letters will go to people who receive state help to pay Medicare premiums in what are known as Medicare Savings Programs (Qualified Medicare Beneficiary, Specified Low-income Medicare Beneficiary, and Qualifying Individual). Those in the Medicare Savings Programs meet the income tests to make them eligible for the credit.

“We are taking aggressive steps to provide literally thousands of dollars in help now through the drug card program,” said Centers for Medicare & Medicaid Services (CMS) Administrator Mark B. McClellan, M.D., Ph.D. “There’s no reason that anyone who pays for medicines out of their own pocket should choose between paying for drugs and paying for other basic necessities.”

The potential credit is \$600 per year between now and the end of 2005. Any portion of the credit that is unused at the end of 2004 can be carried over into 2005. Beneficiaries need to sign up by Dec. 31, 2004 to be eligible for the credit.

Beneficiaries who receive letters can call 1-800-MEDICARE or visit www.medicare.gov to see if their favorite pharmacy takes the card they received and what discounts are available on the drugs they take.

CMS is also working with more than 100 community-based organizations across the country to reach seniors and people with disabilities who are struggling with the costs of their medicines and help them enroll in the discount drug cards and the \$600 credit if they qualify. These partners include 92 groups that formed the Access to Benefits Coalition for the purpose of helping people with Medicare take advantage of the savings that come with the discount drug cards.

Medicare beneficiaries who do not receive prescription drug coverage through Medicaid are eligible for a Medicare-approved drug discount card. In addition, Medicare beneficiaries whose annual incomes are below \$12,569 for singles and \$16,862 for married couples are eligible for the \$600 credit.

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Note: All HHS press releases, fact sheets and other press materials are available at <http://www.hhs.gov/news>.